

**CALFRESH REQUEST FOR POLICY INTERPRETATION****PI# 17-74**

**INSTRUCTIONS:** Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Retain a copy for your records and submit via email to CalFresh-PI@dss.ca.gov.

**Please note:** the policy interpretation provided is based on the unique set of facts presented and should not be assumed to apply in all scenarios.

1. RESPONSE NEEDED DUE TO: <input checked="" type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Other:		5. DATE OF REQUEST: <b>08/23/2017</b>	NEED RESPONSE BY: <b>08/25/2017</b>
2. REQUESTOR NAME:		6. COUNTY/ORGANIZATION: <b>Santa Barbara County</b>	
3. PHONE NO.: EMAIL:		7. SUBJECT: <b>Monies designated for Medical Expenses</b>	
4. REGULATION CITE(S): <b>63-501.111</b>		8. REFERENCES: (Include ACL/ACIN, court cases, etc. in references) <b>NOTE: All requests must have a regulation cite(s) and/or a reference(s).</b>	

## 9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

The client has a Workers Comp Settlement that has set up a Medicare Set-Aside Annuity that was designated per the court paperwork specifically for medical expenses. The client receives yearly income of \$12,986 which goes into an account on the 1st of November of every year and the client has access to these funds. The court paperwork is very clean in that the client must only use the money on medical expenses so that she can keep her Medicare. The client has stated that she does not use the money for personal needs, but per the attorney there is no way of knowing for certain if the client uses the money for things other than what it is designated for.

Question:

Is the yearly payment of \$12,986 excluded for purposes of CalFresh budgeting?

## 10. REQUESTOR'S PROPOSED ANSWER:

Per MPP 63-501.111, This type of payment shall be counted as a resource in the month received. Because the payment is in the clients bank account, it should be treated as a resource and MCE rules applied.

## 11. STATE POLICY RESPONSE (CFPB USE ONLY):

In this scenario, the client has access to the annuity via a yearly payout of \$12,986. Because the payout occurs on a yearly basis, this money cannot be considered a non-reoccurring lump-sum payment. The yearly payout should be considered unearned income. Further, the funds should be considered a reimbursement for future medical expense and therefore be excluded when determining CalFresh eligibility.

Per 63-502(g), to be excluded these payments must be provided specifically for an identified expense, other than normal living expenses, and used for the purpose intended. When a reimbursement, including a flat allowance, covers multiple expenses, each expense does not have to be separately identified as long as none of the reimbursement covers normal living expenses (continued on next page)

WEB

**FOR CDSS USE**

DATE RECEIVED: <b>08/23/2017</b>	DATE RESPONDED TO COUNTY/ALJ: <b>09/20/2017</b>
-------------------------------------	--

**CALFRESH REQUEST FOR POLICY INTERPRETATION (Continued)****PI#17-74**

1. RESPONSE NEEDED DUE TO: <input type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Other:		5. DATE OF REQUEST:	NEED RESPONSE BY:
2. REQUESTOR NAME:		6. COUNTY/ORGANIZATION:	
3. PHONE NO.:	EMAIL:	7. SUBJECT:	
4. REGULATION CITE(S):		8. REFERENCES: <i>(Include ACL/ACIN, court cases, etc. in references)</i> <b>NOTE: All requests must have a regulation cite(s) and/or a reference(s).</b>	

(continued from previous page)

The amount by which a reimbursement exceeds the actual incurred expense shall be counted as income. However, reimbursements shall not be considered to exceed actual expenses, unless the provider or the household indicates the amount is excessive.

Note, verification of individual medical expenses is not required, but the CWD should indicate in the case notes that the unearned income was excluded as a medical reimbursement and request documentation showing that the payout is specifically for the identified expense.